



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 12.7.2007
SEC(2007) 949

COMMISSION STAFF WORKING DOCUMENT

Accompanying document to the

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**establishing an action programme for the enhancement of quality in higher education
and the promotion of intercultural understanding through co-operation with third
countries (Erasmus Mundus) (2009-2013)**

Extended Impact Assessment

integrating ex ante evaluation requirements

[COM(2007) 395 final]
[SEC(2007) 950]

TABLE OF CONTENTS

Executive summary	5
1. PROCEDURAL ISSUES AND CONSULTATION OF INTERESTED PARTIES...	6
1.1. Organisation and timing	6
1.2. Consultation and expertise	7
1.2.1. Consultation within the Commission	7
1.2.2. External expertise	7
1.2.3. Consultation of stakeholders	7
1.3. Main results and follow-up to the consultations	9
2. PROBLEM DEFINITION – WHAT ISSUE / PROBLEM IS THE PROPOSAL EXPECTED TO TACKLE?	9
2.1 Context	9
2.2 Results of the open public consultation	10
2.3 Higher education in the context of globalisation	11
2.4 Promoting inter-cultural ties and understanding	14
2.5 Summary of needs analysis	14
2.6 What are the underlying drivers of the problem?	16
2.7 How would the problem evolve, all things being equal?	16
2.8 Legal basis, subsidiarity and proportionality	17
3. OBJECTIVES	18
3.1. Policy objectives	18
3.2. Operational objectives	18
3.3. Consistency with other policies and objectives of the Union	19
4. WHAT ARE THE MAIN POLICY OPTIONS AVAILABLE TO REACH THE OBJECTIVES?	20
4.1 Option 1: Continue the Programme in its current form	21
4.2 Option 2: Continue the Programme in a modified form	21
4.2.1. Sub-option 2.1: Extend the programme to cover doctoral level	22
4.2.2. Sub-option 2.2: Include financial support for European students	22
4.2.3. Sub-option 2.3: Increase the involvement of third-country institutions	23

4.2.4.	Sub-option 2.4: Integration of the External Cooperation Window	23
4.3	Option 3: Discontinue the Programme.....	24
5.	ANALYSIS OF POSITIVE AND NEGATIVE IMPACTS OF THE THREE OPTIONS.....	24
5.1	Option 1: Continue the programme in its current form.....	24
5.2	Option 2: Continue the programme in a modified form	27
5.2.1	Sub-option 2.1: Extend the programme to cover doctoral level	27
5.2.2	Sub-option 2.2: Include financial support for European students.....	29
5.2.3	Sub-option 2.3: Increase the involvement of third-country institutions	30
5.2.4	Sub-option 2.4: Integration of the External Cooperation Window	31
5.3	Option 3: Discontinue the Programme.....	33
5.4	Uncertainties and changes in parameters	34
6.	COMPARING THE OPTIONS	34
7.	RISKS AND ASSUMPTIONS	38
8.	COST-EFFECTIVENESS	39
8.1.	Financial and human resource implications of the programme	39
8.1.1.	Total financial impact on Part B	40
8.1.2	Impact on staff and administrative expenditure.....	41
8.2.	Could the same results be achieved at lower costs?.....	42
8.3.	Could the same or better results be achieved with the same cost by using other instruments?	44
9.	MONITORING AND EVALUATION	45
9.1.	Direct and indirect impact indicators	45
9.2	Evaluation Procedures.....	47
Annex -	Monitoring data of the current programme	48

An earlier draft of this impact assessment report was examined by the Commission's Impact Assessment Board which formulated some recommendations for improvement of the report. These recommendations mainly referred to providing additional information and sharpening some aspects of the report. They were all taken on board of this final version of the report.

EXECUTIVE SUMMARY

Higher education is subject to a phenomenon of growing internationalisation as a response to the process of globalisation. The Community and its Member States must therefore seek to prepare their citizens and their workforce for a global environment by including an international dimension in their higher education systems in an appropriate and efficient way.

Higher education institutions are arenas for inter-cultural dialogue and exchange. An education and mobility programme based on international links and exchanges of individuals can enhance the political, cultural, educational and economical links between the European Union and third countries.

The overall aim of a future Erasmus Mundus programme should be to enhance the quality of European higher education and to promote dialogue and understanding between peoples and cultures through cooperation with third countries as well as to contribute to the development of third countries in the field of higher education. In concrete terms, the new programme should:

- fund high-quality joint master and doctoral programmes offered by a group of European and possibly third-country higher education institutions;
- grant full-study scholarships to European and third-country students to follow these joint programmes as well as short-term scholarships to European and third-country academics to carry out research or teaching assignments at these joint programmes;
- develop co-operative partnerships between European and third-country higher education institutions as a basis for exchange of students and academics at all levels of higher education with a view to enhancing the international cooperation capacities of higher education institutions in third countries;
- support transnational initiatives, analyses, studies, projects, events and other activities aiming at enhancing the attractiveness of European higher education in the world.

Three basic policy options need to be considered in relation to the future programming period of the Erasmus Mundus programme (2009-2013):

1. Continue the Erasmus Mundus programme in its current form;
2. Continue the Erasmus Mundus programme in a modified form and;
3. Discontinue Erasmus Mundus when the current programme comes to an end in December 2008.

A comparative assessment of these policy options shows that option 3 has got the weakest impact on the programme's needs and objectives. While option 1 fares well in the assessment, option 2 nevertheless has clear advantages over option 1.

Under option 2, the following modifications were assessed in detail which - because of their combined beneficial impact - are all suggested to be integrated into a new Erasmus Mundus programme:

- Extension of the programme to include funding for **doctoral studies**;
- Inclusion of financial support for **EU students** within the scope of the programme;
- Better integration of **third-country higher education institutions** into the programme;
- Integration of the Erasmus Mundus **External Cooperation Window** into the programme.

1. PROCEDURAL ISSUES AND CONSULTATION OF INTERESTED PARTIES

Lead Directorates-General:

Directorate-General for Education and Culture and Directorate-General EuropeAid Co-operation Office

Other involved services:

- Directorate-General for Development
- Directorate-General for Employment, Social Affairs and Equal Opportunities
- Directorate-General for Enlargement
- Directorate-General for Research
- Secretariat General

Agenda planning or Work Programme reference:

Reference number 2007/EAC+AIDCO/001 of the Commission Legislative Work Programme of 2007

1.1. Organisation and timing

The programme proposal for a new Erasmus Mundus programme was included in the Commission Legislative Work Programme of 2007 under the following title and reference number: 2007/EAC+AIDCO/001

The chronology of this Impact Assessment was as follows:

- June-December 2006: consultation of stakeholders on the future of the programme on the occasion of five different meetings;
- December 2006 - April 2007: provision of expertise by external consultants;
- December 2006: invitation to relevant Commission services to participate in an Inter-Service Steering Group accompanying the Impact Assessment. DG Development, DG Employment, DG Enlargement and the SG showed interest in participating in the group. The Inter-Service Steering Group met three times between February-April 2007.
- February-March 2007: open public on-line consultation of interested parties.

1.2. Consultation and expertise

1.2.1. Consultation within the Commission

The programme proposal for a new Erasmus Mundus programme will be a joint proposal by the Commissioners Mr Figel' and Ms Ferrero-Waldner. Therefore, there have been intensive working contacts between DG EAC and DG AIDCO on the development of the proposal.

In addition, the following services have been consulted via an Inter-Service Steering Group: DGs DEV, EMPL, ELARG, SG.

1.2.2. External expertise

DG EAC issued a service contract to acquire external expertise on and input towards the impact assessment and the ex-ante evaluation of the second phase of the Erasmus Mundus programme. The assignment included an analysis of the underlying problems, the refinement of policy options, the comparative assessment of these options, the identification of the preferred policy option and the analysis of the open public on-line consultation on the future of the programme (see section 1.2.3 below). The analysis carried out by the external experts formed the basis of and were integrated into this internal report.

1.2.3. Consultation of stakeholders

Stakeholder meetings

Consultation with the main stakeholders of the Erasmus Mundus programme - participants in the current programme, Erasmus Mundus National Structures¹, Erasmus Mundus committee members² - has been extensive. They were consulted about their views on the future of the Erasmus Mundus programme on the occasion of five different meetings:

- On 16-17 June 2006, the second Erasmus Mundus student seminar was held in Brussels. The seminar was attended by third-country and European students following the masters courses selected under the Erasmus Mundus programme, the co-ordinators of the Erasmus Mundus Masters Courses and the Erasmus Mundus National Structures. The main purpose of the seminar was to set up the Erasmus Mundus Alumni Association, but various programme implementation issues of relevance to Erasmus Mundus students have also been discussed. One of the workshops was a brainstorming exercise on the future of the Erasmus Mundus programme which allowed collecting the students' opinions on this issue. As a follow-up to this workshop, students were invited to send further opinions to a dedicated mailbox.

¹ Erasmus Mundus National Structures are national contact and information points appointed by the national authorities of the countries participating in the current Erasmus Mundus programme (EU 27, EEA-EFTA states) and located in each of the participating countries. They inform the public about the programme, offer assistance and advice to potential applicants and actual participants and provide feedback on programme implementation to the Commission. They are normally also involved in the monitoring of projects. In addition, they can give their opinion on proposals, if they so wish.

² According to article 8 of the current Erasmus Mundus programme Decision, the Commission is assisted in the implementation of the programme by a committee which is composed of representatives from the national authorities of the countries participating in the programme.

- On 13 November 2006, a regular meeting of the Erasmus Mundus programme committee was used for an informal brainstorming session on the future of the Erasmus Mundus programme in order to collect the national authorities' views on this issue at an early stage. As a follow-up to this discussion, delegations were invited to send their written comments to the Commission, if they so wished.
- On 28-29 November 2006, a conference on enhancing the attractiveness of European higher education in the world took place in Brussels. Participants under all actions of the Erasmus Mundus programme - coming from Europe and third countries - attended the conference. One of the programme items was the discussion of various aspects of the future of the programme which allowed highlighting this issue from various implementation angles from the point of view of a wide range of programme end-users.
- On 30 November–1 December 2006, the annual meeting of all selected Erasmus Mundus Masters Courses was organised in Brussels. The main purpose of the meeting was to discuss various implementation and management aspects of masters courses, but it also offered an occasion to hold a brainstorming session on the future of the programme with representatives from the Erasmus Mundus masters courses, the backbone of the current programme.
- On 11 December 2006, a special meeting of Erasmus Mundus National Structures on the future of the Erasmus Mundus programme was held in Brussels in order to collect the valuable ideas of these structures – which are closest to programme implementation at national level – on the possible future design of the programme. As a follow-up to this meeting, National Structures were invited to send their written comments to the Commission, if they so wished.

Open public on-line consultation

An open public on-line consultation on the future of the Erasmus Mundus programme was launched on 5 February 2006 by means of the Commission's IPM (Interactive Policy Making) tool. The consultation was open until 9 March 2006. 417 replies were received.

Wide publicity was given to this public consultation by placing it on the "Your Voice in Europe" website and by sending information about the consultation to DG EAC's information relays in the field of higher education. The consultation period was shortened to five and a half weeks as an extensive consultation of stakeholders had already taken place prior to launching the open public consultation (see section above).

The opinions expressed have been analysed by an external consultant (see section 1.2.2 above). The results and a detailed analysis of the public consultation as well as an explanation on how the opinions expressed have been taken into account in the Commission proposal will be available at http://ec.europa.eu/dgs/education_culture/consult/index_en.html in the course of June 2007.

The Commission believes that the consultation process described here has enabled it to receive feedback from a reasonable sample of relevant parties.

1.3. Main results and follow-up to the consultations

The main results of the consultation process on the future of the Erasmus Mundus programme can be summarised as follows:

- There has been a certain wish for continuity in order to allow for the relatively new programme to consolidate itself. In this context, Action 1 (high-quality integrated masters courses) and Action 2 (full-study scholarships for third-country students and short-term grants for third-country academics) proved to be the most popular activities of the current programme. A strong wish was expressed to continue with these programme activities by keeping their focus on promoting excellence in higher education.
- However, at the same time, there was strong support for a range of improvements for the future programme which would help eliminate certain identified weaknesses of the current programme and contribute to its further development on the basis of experience acquired.
- One of the weaknesses of the current programme identified by the stakeholders was the lack of funding it provides for European students which results in a relatively low participation rate of European students in Erasmus Mundus masters courses. It was thus suggested to include full-study scholarships for European students in the future programme.
- Another strong message expressed by stakeholders was a possible extension of the scope of the programme to the third cycle of tertiary education (doctoral level).
- Last but not least, stakeholders felt that the current programme fell short of the needs of third-country higher education institutions. The Commission was thus invited to open the programme up more extensively and systematically to the participation of third-country higher education institutions and to allow for more collaborative partnerships between European and third-country higher education institutions which meet the needs of all partners involved.

All of the main results of the stakeholder consultations (meetings and public on-line consultation) have been fed into the needs and problem analysis, the development of the objectives and policy options and the assessment of the policy options (see sections 2, 3, 4 and 5).

In this context it should be underlined that the interim evaluation of the present Erasmus Mundus programme which was carried out between September 2006 and May 2007 has reached the same conclusions as the consultation of the stakeholders mentioned above. The results of the interim evaluation of the current programme have also been fed into the analysis of a new programme. They will be available at:

http://ec.europa.eu/dgs/education_culture/evalreports/index_en.htm as of June 2007.

2. PROBLEM DEFINITION – WHAT ISSUE / PROBLEM IS THE PROPOSAL EXPECTED TO TACKLE?

2.1 Context

The Ministers of Education of the Member States and the Ministers of Education from fourteen other European countries agreed in the Bologna Declaration (19 June 1999) that

Europe's higher education sector should acquire a degree of attractiveness in the wider world equal to Europe's major cultural and scientific achievements. They also underlined the need to strengthen the European dimension in higher education offered in the participating countries. The European Ministers in charge of higher education have met four times since 1999 to ensure that the objectives of the Bologna Process will be reached by 2010. In support of these objectives the Commission has taken a series of initiatives, the Erasmus Mundus programme being among them.

The conclusions of the Lisbon European Council of 24 March 2000 underlined the fact that the European Union must respond to the challenges of globalisation and the new knowledge-driven economy. In such an era of globalisation and interdependence the response of the Member States and of the European Community to emerging needs in higher education cannot be confined only to the geographical limits of the European Union or the wider Europe. Subsequent to these conclusions, in 2001 the Commission adopted the Communication to the Parliament and Council [on "Strengthening EU-third country Co-operation in Higher Education"](#)³. In 2002, at the Barcelona summit, the European Council set the goal that European education and training systems should become a world-wide reference for quality and excellence by 2010.

Since then a strong consensus has emerged regarding the link between the Lisbon agenda and higher education and the need for reforms that should enable universities to play their role in the Europe of Knowledge. The Commission has identified possible avenues for reform to take in the 2005 Communication entitled "Mobilising the brainpower of Europe: enabling universities to make their full contribution to the Lisbon Strategy"⁴, which were endorsed through the ensuing Council Resolution of 15 November 2005. Also, in May 2006 the Commission adopted a Communication "Delivering on the Modernisation Agenda for Universities: Education, Research and Innovation"⁵. The European Council of June 2006 confirmed the crucial role of the universities and invited Member States to promote excellence and foster modernisation, restructuring and innovation in the higher education sector. Last but not least, in the proposed "Regulation Establishing the European Institute of Technology"⁶ the Commission strongly argues for European higher education institutes to overcome their fragmentation and join forces in a quest for increased quality in teaching and research as well as for a better correspondence with the changing needs of the labour market.

2.2 Results of the open public consultation

The results of the online consultation on a possible future Erasmus Mundus programme provide a clear message relating to needs. When asked to assess the continuing validity of the needs analysis for the current Erasmus Mundus programme (a summary of which was provided to respondents)⁷, 326 of the 417 respondents (78%) indicated that the analysis remained accurate and up to date. A further 66 respondents (16%) believed the analysis had

³ COM(2001) 385 final

⁴ COM(2005) 152 final

⁵ COM(2006) 208 final

⁶ COM(2006) 604 final/2

⁷ The needs of the current Erasmus Mundus programme are defined as tackling the challenges of globalisation in higher education, fostering international mobility especially for the most talented individuals, increasing the attractiveness of European higher education and fostering intercultural dialogue and understanding.

lost some of its accuracy, but only 23 respondents (5.5%) suggested it was entirely inaccurate and there was no case for Community intervention in the area.

When asked to explain their answer, none of the respondents who felt some changes were required to the needs analysis argued that the underlying needs presented above were invalid, but rather stressed additional or more detailed needs, often based on their experience of the existing Erasmus Mundus programme. Ensuring quality, as part of responding to the challenges of the knowledge economy, fostering closer relations with third-country higher education institutions, supporting European students as well as third-country students and improving infrastructure and resources in higher education in Europe were the most frequently-occurring additional needs mentioned by consultation respondents.

It is interesting to underline that one third of respondents have not participated in the current programme. This percentage suggests that the opinions of people not yet participating in the programme are sufficiently represented and that the survey results are not too strongly biased towards the opinions of current programme participants.

If the consultation results suggest that a broad consensus exists around the main underlying needs in relation to quality and mobility in higher education in Europe, it is nevertheless necessary, to examine these needs and their components in more detail, drawing on a range of other evidence.

2.3 Higher education in the context of globalisation

Higher education is subject to a phenomenon of growing internationalisation as a response to the process of globalisation. In developing its higher education systems, the Community and its Member States must therefore seek to prepare their citizens and their workforce for a global environment by including an international dimension in an appropriate and efficient way. This can be achieved by combining the individual strengths and educational diversity of European higher education institutions and by constructing partnerships going beyond the borders of Europe.

There is a broad consensus that the greater openness that characterises globalisation has increased the need for countries and workers to be internationally competitive. This need has not decreased over recent years. If anything, increasing future openness will lead to an increasing need for competitiveness. Meeting this need demands high levels of skills relevant to the knowledge economy including, increasingly, those associated with international experience, as more jobs require workers to deal with their counterparts in other countries of the world and other cultures.

The quest for excellence in higher education has recently become a strong *leitmotiv* in Community initiatives in the field. This is backed up by the results of the online consultation, in which 95% of respondents expressed strong or moderate support for the objective of promoting "high-quality courses and excellence" in higher education. Joint programmes combining excellent departments across Europe and beyond, offering multi-disciplinary approaches and links with industry, and equipping graduates with the necessary qualifications and skills for a successful career in research or on the labour market will identify and reinforce world-class excellence at European universities, create a European higher education identity and reduce the attractiveness gap with other world regions. Joint courses are likely to benefit from a wider range of insights and from a broader range of perspectives and are able

to draw on the latest knowledge and expertise of a greater number of individuals. As such, joint courses are likely to be more relevant to the knowledge economy, as students benefit from the most up to date knowledge and new teaching methods, “imported” or transferred from elsewhere.

At the same time, the Community has a mission to contribute to the development of high-quality higher education in third countries to the mutual benefit of higher education institutions, students and academics in Europe and beyond. Higher education institutions in specific third countries need to increase their international cooperation capacity by applying the tools developed under the Erasmus programme (e.g. European Credit Transfer and Accumulation System): facilitating transfer of know-how and good practices in the field of student and academic staff mobility as well as the exchange of persons, knowledge and skills at higher education level are high up on the political development agenda. Higher education cooperation activities increase the international transparency and recognition of studies and qualifications and mutually enrich the educational environment of institutions in Europe and third countries.

But structural cooperation is not enough. European universities need to attract and retain top talent, both students and academics. 90% of consultation respondents expressed support for the objective of "attracting the best international students and scholars to Europe". An increase in the number of highly-talented international students, especially in the science and engineering fields so critical for innovation, boosts the ability of higher education, business and government to engage in research and development. Attracting the best students and researchers can also promote quality within institutions by raising the overall standard of discussion and debate within the institution and boosting the pace of teaching and learning and the quality of the research undertaken.

However, also the stimulation of mass-mobility of students to achieve high mobility rates between countries, as the experience of Erasmus in Europe has shown, can serve to create incentives for higher education institutions to collaborate and undertake joint work in curriculum development and other areas, with potentially high gains for those who undertake this work. Mobility is seen as an asset by both individuals and employers, since it increases professional and personal competencies, including language skills and understanding of other cultures. Academic exchange has the potential of leading to mutual enrichment of societies by developing a pool of well-qualified, open-minded and internationally experienced people as future professionals and leaders, capable of improving governance and responding to the challenges of the new global knowledge society. Mobility programmes help to provide vulnerable groups in third countries with further education and professional development and empowerment for leadership, thus contributing to disseminate European social and democratic values.

The number of internationally mobile students seeking an education abroad continues to be on the rise: 1.8 million in 2001, 2.5 million in 2004, and a projected 7.2 million in 2025, 70% of whom will be Asian.⁸ China and India are the top countries for international student enrolment worldwide, followed by Korea and Japan.⁹ Students and researchers increasingly consider, and ultimately opt for, the study and research opportunities which best allow them

⁸ UNESCO Institute of Statistics online; IDP Education Australia.

⁹ UNESCO, 2006.

to further their professional or academic careers, irrespective of whether these are outside their home country.

International competition to attract the “brightest and the best” also affects higher education institutions, as part of a wider process of internationalisation in higher education¹⁰. Recent data suggest that this competition has become more intense and that some European countries have become major players in the field: In 2004, six countries hosted 67% of the world’s mobile students: the US (23%), the UK (12%), Germany (11%), France (10%), Australia (7%) and Japan (5%).¹¹ Europe (defined as the 27 EU Member States, Turkey, Iceland, Liechtenstein, Norway and Switzerland) hosted 44% of all international students (or 1.1 million students). Growth in international student enrolment rates between 1999 and 2004 amount to 109% for Japan, 81% for France, 45% for Germany, 42% for Australia, 29% for the UK and 17% for the US.¹²

However, apart from the countries mentioned above, Europe’s status as a centre of excellence in learning is not always fully appreciated or understood by third-country universities, nor by students looking for an international education. Nor does the European higher education area seem to be easily accessible to third-country nationals. This can be remedied by means of the Bologna process, through transparent degree structures, easier recognition of degrees and study credits, European-level quality assurance and accreditation as a label for high-quality education, improved services for students as well as determined measures in the fields of information and marketing. Attractiveness is not only about excellence in absolute terms, but also about perception. A European higher education identity as a brand for excellence in teaching and research and building on the unique diversity of European higher education systems and institutions needs to be created.¹³

The attractiveness of European higher education systems can be improved by increasing the knowledge of international students about high-quality provision¹⁴. In this respect, stimulating student mobility can be an effective dissemination and publicity mechanism, with potentially large multiplier effects in terms of enhancing the attractiveness of European higher education. Indeed, a recent Commission report has highlighted how increased financial support for students from non-European countries and an information portal on study opportunities in Europe would be an appropriate means to enhance Europe's attractiveness as a study destination¹⁵.

Summing up, the main issues to be tackled by higher education institutions in the context of globalisation, are the quest for high quality, excellence and attractiveness. Cooperation between higher education institutions and attracting excellent third-country students to Europe

¹⁰ For an overview, see discussion of this in Guruz, K & Ryan J.W (2005) *Higher Education and International Student Mobility in the Global Knowledge Economy*
<http://www.wcfia.harvard.edu/fellows/papers/2004-05/Guruz.pdf>

¹¹ These figures have to be taken with a grain of salt, as “international student” is defined differently in each country: e.g., in the US and the UK these figures do not include permanent residents, in Germany and France they do.

¹² ACE Issue Brief, *Students on the Move: The Future of International Students in the United States*, 2006.

¹³ European Commission (2006) *Perceptions of European Higher Education in Third countries*. Luxembourg, Office for official publications of the European Communities.

¹⁴ See footnote 13 above.

¹⁵ See footnote 13 above.

– as well as giving excellent European students the chance to follow high-quality courses and to study abroad – are the main means of achieving these aims.

2.4 Promoting inter-cultural ties and understanding

While the linkages between mobility in higher education and the development of the knowledge economy are rather complex, the equivalent linkages between mobility and inter-cultural understanding appear comparatively straightforward. In hosting foreign students and researchers, higher education institutions help to bring individuals from different cultures into contact with each other and through their teaching can help to provide foreign students with a better understanding of the culture of the host country. In helping to shape the perceptions of international students and researchers, higher education can help to promote mutual respect and ultimately have a positive influence on international relations and contribute to the wider aim of world peace¹⁶. Furthermore, Europe's political and commercial success in the world is dependent on future decision-makers in third countries having a better understanding of, and closer ties with, Europe.

From a political and cultural perspective, academic exchange can therefore promote mutual understanding between peoples and counter the risk of widening the inter-cultural divide between European and other cultures. This priority is also supported by respondents to the online consultation, 87% of whom indicated that promoting "intercultural dialogue" was a relevant or highly relevant objective for any future Erasmus Mundus programme.

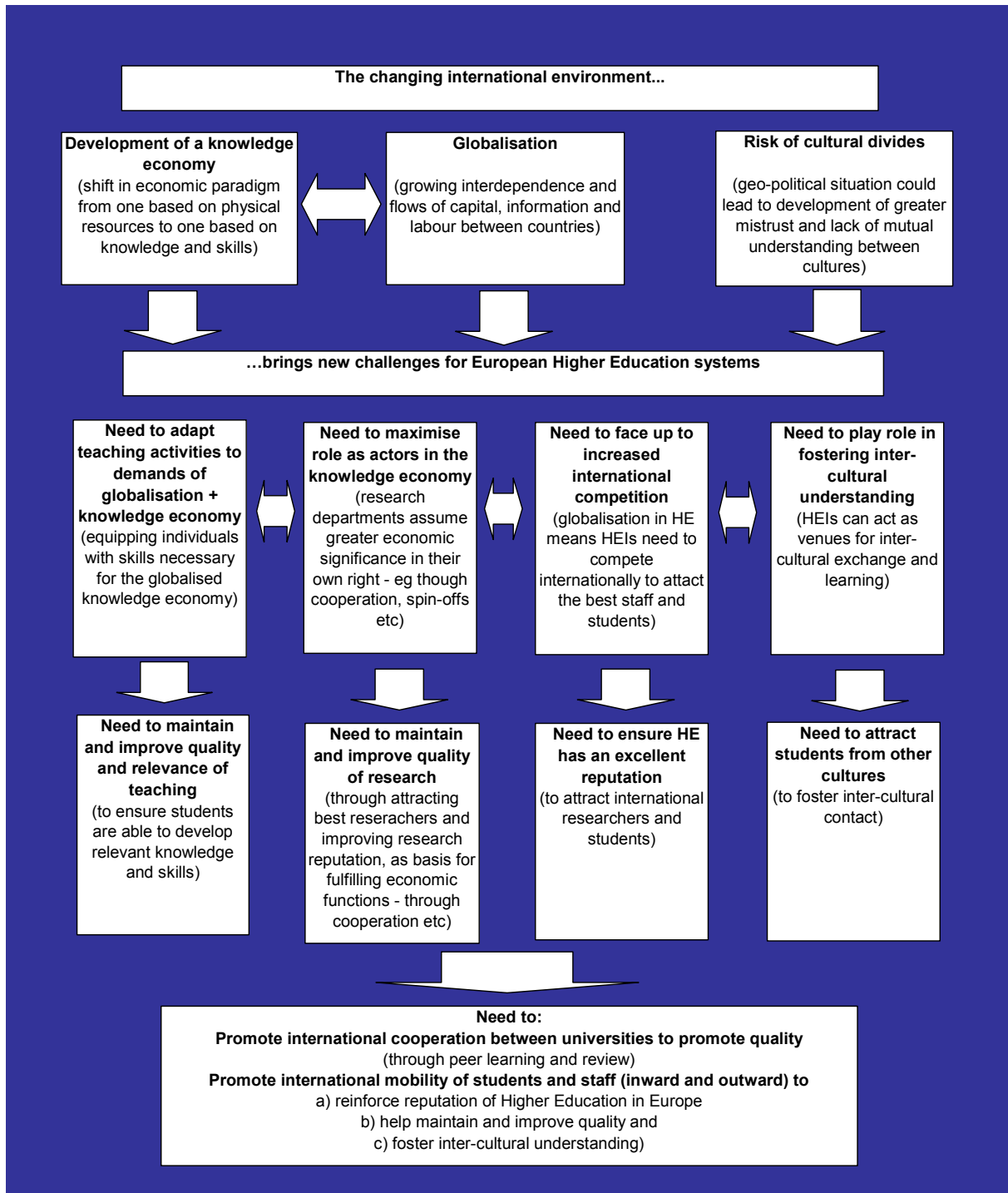
In the context of discussions about economic competitiveness and welfare, the wider social benefits of higher education in terms of promoting intercultural understanding are unfortunately often down-played. Yet, in today's increasingly global environment, there is a need to ensure that no geographical area is excluded from the opportunities provided by increased links and interaction between different parts of the world. The problems linked to the disenchantment that could be associated to such exclusion are potentially large, including the use of violence and the reduction of opportunities for mutually enriching collaboration between countries and regions.

2.5 Summary of needs analysis

Based on the above analysis, the needs for a future Erasmus Mundus programme can be summarised as follows:

¹⁶ See UNESCO work on intercultural dialogue
http://portal.unesco.org/culture/en/ev.php-URL_ID=11406&URL_DO=DO_TOPIC&URL_SECTION=201&URL_PAGINATION=40.html

Figure 2.5: Needs analysis summary



2.6 What are the underlying drivers of the problem?

The following underlying drivers of the problem have been identified:

- European higher education institutions are under increasing pressure to step up their internationalisation efforts in order to remain on the leading edge of developments in a globalised academic world.
- European higher education institutions are under increasing pressure to live up to demands of excellence in an increasingly competitive international academic environment. Institutions are competing for "the best and the brightest" on a worldwide scale.
- Students are increasingly mobile picking tailor-made education in prestigious and well-reputed higher education institutions located in whatever continent which will give them best value for money for a later success on the labour market or a scientific career.
- International students looking for an education abroad tend to see European higher education institutions as traditional and culturally orientated, but not as dynamic.¹⁷
- There is a lack of coordinated information on study opportunities in Europe for third-country students looking for an international education combined with a lack of identity and profile of the European Higher Education Area. The visibility of Europe is reduced to a small number of large European countries.¹⁸
- There is the risk that in the face of fierce international competition higher-education institutions in lesser developed countries are increasingly cut out of the knowledge triangle education-research-innovation.
- Recent socio-political events around the world confirm the trend towards cultural divides and lack of understanding between peoples.

2.7 How would the problem evolve, all things being equal?

If the Erasmus Mundus programme were continued in its present form, the identified problems would be tackled only partially, as the current programme was built on a less inclusive needs analysis which has evolved and has been complemented since. In particular, the wider aim of intercultural understanding would not be appropriately addressed as the current programme does not foresee mass mobility of students between Europe and third countries. Also, the element of fostering knowledge transfer between European and third-country higher education institutions would not be fully tackled.

As the current Erasmus Mundus programme comes to an end, the "no action" option would imply that Erasmus Mundus ceases to exist. In such a case, the problems arising from the needs analysis would continue to be tackled by Member States and higher education institutions, but without the European incentive a Community programme can provide. In other words, there would be fewer joint programmes, international partnerships and international students studying in Europe. The political aims set in Lisbon, Barcelona and the

¹⁷ See footnote 13 above.

¹⁸ See footnote 13 above.

aims of the Bologna Process would be much more difficult to reach. This issue will be further discussed in section 2.8 below.

2.8 Legal basis, subsidiarity and proportionality

The future programme is based on Article 149 of the Treaty (especially relevant passages have been marked in bold):

Article 149

1. The Community shall contribute to the development of **quality education by encouraging cooperation between Member States** and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity.

2. Community action shall be aimed at:

- developing the **European dimension in education**, particularly through the teaching and dissemination of the languages of the Member States,
- encouraging **mobility of students and teachers**, by encouraging inter alia, the academic recognition of diplomas and periods of study,
- promoting **cooperation between educational establishments**,
- developing **exchanges of information** and experience on issues common to the education systems of the Member States,
- encouraging the development of youth exchanges and of exchanges of socio-educational instructors,
- encouraging the development of distance education.

3. The Community and the Member States shall foster **cooperation with third countries** and the competent international organisations in the field of education, in particular the Council of Europe.

The proposal is thus based on an article in the Treaty which defines clear limits to the European Union's right to act. The principle of subsidiarity applies because any proposed action to address the identified needs will not be in an area where the Community has exclusive competence.

The objectives of the proposal cannot be sufficiently achieved by the Member States acting alone because the common objectives set by the Union and the common challenges faced by Member States require a broader approach that is based upon Europe-wide actions. The main function of the proposal is to provide a Europe-wide instrument to stimulate internationalisation of European higher education.

The European Union is best placed to help develop a European dimension in European higher education thus creating a framework for cooperation and for mobility of students and academics. Single initiatives by single higher education institutions or Member State, though highly beneficial in themselves and complementary to any Community action, would often remain at bilateral level and would not have the same Europe-wide effect as a Europe-wide cooperation instrument. The visibility of European higher education in the world would continue to be reduced to a small number of large Member States and the advantages of the whole continent as study destination would remain unadvertised.

Indeed, the nature of the challenge that Europe faces means that coordinated action at European level is likely to be more effective than action at national, regional and local level

because it allows a pooling of resources, greater geographical coverage and mobility that encompasses more than one European country and enhances the creation of a European higher education area. Action taken at the level of single institutions or Member States and a Community programme in the field are not mutually exclusively – quite on the contrary, they are perfectly complementary working towards the same aim. Community action will in fact reinforce any national action taken in this field.

This proposal conforms to the principle of proportionality because it can be implemented within the higher education framework existing in the Member States. It encourages new approaches which – as the interim evaluation of the current programme has shown – are considered feasible by higher education institutions. The programme will use lump-sums and unit costs as much as possible in order to minimise the administrative burden for beneficiaries and programme managers.

3. OBJECTIVES

3.1. Policy objectives

The preceding needs and problem analysis and the legal framework for Community intervention in the field of education and training form the basis for developing the objectives of any future Community programme in the field of higher education cooperation including a third-country dimension.

The overall aim of a future programme should be to enhance the quality of European higher education and to promote dialogue and understanding between peoples and cultures through cooperation with third countries as well as to contribute to the development of third countries in the field of higher education.

The general objectives of the programme should be:

- to foster structured cooperation between higher education institutions and academic staff in Europe and third countries with a view to creating centres of excellence and providing highly trained human resources;
- to promote mobility for the most talented students and academics from third countries to obtain qualifications and/or experience in the European Union and to promote the mobility of the most talented European students and academics towards third countries;
- to contribute towards the development of human resources and the international cooperation capacity of higher education institutions in third countries through increased mobility streams between the European Union and third countries;
- to improve accessibility and enhance the profile and visibility of European higher education in the world as well as its attractiveness for third-country nationals.

These objectives are in line with and support the Lisbon strategy and the Bologna process.

3.2. Operational objectives

The operational objectives of the proposal are:

- to help develop high-quality joint master and doctoral programmes offered by a group of European and possibly third-country higher education institutions;
- to grant full-study scholarships to the most talented European and third-country students to follow these joint programmes as well as to grant short-term scholarships to European and third-country academics of outstanding quality to carry out research or teaching assignments at these joint programmes;
- to help develop wide co-operative partnerships between European and third-country higher education institutions as a basis for short or long-term exchange of students and academics at all levels of higher education with a view to enhancing the international cooperation capacities of higher education institutions in third countries;
- to support transnational initiatives, analyses, studies, projects, events and other activities aiming at enhancing the attractiveness of European higher education in the world.

3.3. Consistency with other policies and objectives of the Union

Given the centrality of higher education to social, cultural and economic policies, there are many connections between this programme proposal and other Community policies. Therefore, in the reflection leading to the present proposal, due account has been taken of other related Community programmes and/or objectives:

- The idea to include scholarships for European students into the Erasmus Mundus programme, parallels and complements the Erasmus chapter within the new Lifelong Learning Programme (LLP). Due care will be taken to draw a clear dividing line between the two programmes and to communicate these to all stakeholders concerned. The other activities under the Erasmus chapter of the LLP, e.g. intensive programmes, curriculum development, European Credit Transfer and Accumulation System, etc., as well as the Jean Monnet Action of the LLP are also fully complementary with this proposal.
- The ambition to extend the programme to the third cycle (doctorates) will create strong synergies with the "Initial Training Networks" of the Marie Curie Programme and the proposed European Institute of Technology.
- The political will to incorporate an external relations programme into the new proposal will ensure a greater visibility and coherence of the European Community policy and its programmes for third countries. The shared management principle between the Commission services concerned will ensure a consistent implementation of the new programme. A possibly future inclusion of further external relation scholarship and cooperation programmes into Erasmus Mundus, such as Alþan, Alfa, EduLink or Asia-Link, would *a priori* increase the argument of visibility and coherence, but would have to be carefully analysed as regards implementation mechanisms.
- Other external cooperation programmes in the field of higher education, notably Tempus, Atlantis and cooperation with industrialised countries such as Canada, pursue complementary aims, but each have a different focus.

The objectives of the future Erasmus Mundus programme appear thus to be coherent and often highly complementary to those of existing initiatives in similar areas. In all those cases,

the intention is to keep an on-going flow of information with the relevant Community services to avoid duplication and draw the best profit from existing complementarity.

Furthermore, the objectives are consistent with the wider political aims formulated at the Lisbon and Barcelona Council, the concrete action lines of the Bologna Process as well as recent Commission recommendations and initiatives as analysed in section 2 above. The objectives as they stand would help increase the pool of high-quality researchers in Europe, thus responding to one of the aims of the Lisbon strategy. Also, the Community promotes equality between men and women in all its activities, including this proposal.

4. WHAT ARE THE MAIN POLICY OPTIONS AVAILABLE TO REACH THE OBJECTIVES?

Three basic policy options need to be considered in relation to the future of the Erasmus Mundus programme (2009-2013):

1. Continue the Erasmus Mundus programme in its **current form**;
2. Continue the Erasmus Mundus programme in a **modified form** and;
3. **Discontinue** Erasmus Mundus when the current programme comes to an end in December 2008.

When asked whether the current actions of the Erasmus Mundus programme will be relevant in the next 10 years, 184 of the 417 respondents to the online consultation (44%) indicated that the status quo (Option 1) remained the best option. However, 203 respondents (49%) indicated that the actions should be modified (Option 2).

Options one and three are, by their own nature, already clearly defined. As for option two, four possible sub-options have been identified on the basis of analysis of the performance of the current programme to date, the results of the online consultation, the needs analysis and feedback gathered from stakeholders through a series of in-depth interviews (no other sub-option has been identified or discarded at an earlier analytical stage):

1. to extend the Erasmus Mundus programme to include funding for **doctoral studies** (PhDs or equivalent);
2. to include financial support for **EU students** within the scope of the programme;
3. to integrate better **third-country higher education institutions** into the programme;
4. to integrate the **External Cooperation Window** into the Erasmus Mundus programme.¹⁹

It is clear that these possible changes are neither mutually exclusive, nor mutually dependent. On a theoretical level, there is no reason why some of the changes listed above could not be

¹⁹ For more information on the External Cooperation Window see sections 4.1 and 4.2.4.

implemented together, nor any reason why one or more of the changes could not be made in isolation.

4.1 Option 1: Continue the Programme in its current form

The current Erasmus Mundus programme comprises four Actions, each of which corresponds to one of the current specific programme objectives:

- *ACTION 1* - Erasmus Mundus Masters Courses: they constitute the central component around which Erasmus Mundus is built. They are high-quality integrated courses at masters level offered by a consortium of universities in at least three different European countries. The courses must be "integrated" to be selected under Erasmus Mundus, which means that they must foresee a study period in at least two universities and that they must lead to the award of a recognised double, multiple or joint degree.
- *ACTION 2* - Erasmus Mundus scholarships: in order to give the Erasmus Mundus Masters Courses selected under Action 1 a strong external projection, a scholarship scheme for third-country graduate students and scholars from the whole world is linked to them. This scholarship scheme addresses highly qualified individuals who come to Europe to graduate from the Erasmus Mundus Masters Courses (students) or to work for them (scholars).
- *ACTION 3* - Partnerships: in order to encourage European universities to open themselves up to the world and to reinforce their world-wide presence, Erasmus Mundus Masters Courses selected under Action 1 also have the possibility of establishing partnerships with third-country higher education institutions. These partnerships allow for outgoing mobility of EU students enrolled in Erasmus Mundus Masters Courses and EU scholars working for Erasmus Mundus Masters Courses.
- *ACTION 4* - Enhancing attractiveness: Erasmus Mundus also supports projects aimed at enhancing the attractiveness of and the interest in European higher education institutions. It supports activities that improve the profile and the visibility of and the accessibility to the European higher education area as well as issues crucial to the internationalisation of higher education, such as the mutual recognition of qualifications with third countries.

In addition to the four actions described above, the Commission has launched the "Erasmus Mundus External Cooperation Window" which is being implemented by the EuropeAid Cooperation Office in conjunction with the Erasmus Mundus programme. This new action funds the organisation and implementation of student - from undergraduate to post-doctorate level - and academic staff mobility between European universities and universities from targeted third-countries.

Option 1 would entail continuing the Erasmus Mundus programme and the External Cooperation Window in their current form for the period 2009-2013.

4.2 Option 2: Continue the Programme in a modified form

As noted, four main "options for change" have been identified.

The first three sub-options entail changes to core elements of the current Erasmus Mundus programme. In contrast, sub-option 2.4 would involve the integration of the currently separate Erasmus Mundus External Cooperation Window into a future programme.

4.2.1. Sub-option 2.1: Extend the programme to cover doctoral level

If a future programme were to cover doctoral studies, it is assumed that this would entail the following:

- Support for joint doctoral programmes between higher education institutions to provide joint supervision of doctoral students. The criteria for joint programmes as defined for masters courses would largely be applied to doctoral programmes;
- Scholarships for doctoral students from third countries and the EU/EEA (depending on sub-option 2.2);
- Scholarships would be provided for the full duration of a doctoral degree, i.e. for three years in line with the Bologna Process;
- Students who had already benefited from an Erasmus Mundus mobility scholarship for a masters degree would also be eligible for an Erasmus Mundus scholarship for doctoral studies. This would allow students to pursue their studies with Erasmus Mundus support;
- Third-country institutions could participate in the joint doctoral programmes (depending on sub-option 2.3).

Forty-nine of the 417 respondents to the online consultation (11.8%) explicitly recommended that a future Erasmus Mundus programme should cover doctoral studies. This amounts for around three quarters of those who suggested explicit changes to the programme. This option thus received the second highest level of support from consultees among the five alternatives proposed, after including financial support for European students²⁰ -see next sub-section.

4.2.2. Sub-option 2.2: Include financial support for European students

European students and scholars can currently receive mobility grants for outgoing mobility to third countries, but only for short periods of mobility and not to study on Erasmus Mundus courses in Europe. Introducing full-study scholarships for European students would take the following form:

- Scholarships would be available for European students to study in Erasmus Mundus supported courses in the European Union and third countries (the third-country option depends on sub-option 2.3);
- Scholarships would not be available to students to study in third-country institutions other than in the context of Erasmus Mundus supported courses;

²⁰ The other options being: a) scholarships for European students; b) short-term mobility grants for students; c) post-doctoral studies and; d) undergraduate studies.

- The level of the scholarships provided to European students could be lower than that for third-country students.

Improved financial support for European students was seen as a priority by 53 of the 417 respondents to the online consultation (12.7%) – equivalent to over 80% of those who suggested explicit changes to the programme. This option was also supported by a majority of the stakeholders interviewed for this impact assessment.

4.2.3. Sub-option 2.3: Increase the involvement of third-country institutions

Third-country institutions are currently involved in the Erasmus Mundus programme through Action 3 (Partnerships). This Action allows for outgoing mobility of students and scholars from European institutions to third-country institutions.

Although increasing the involvement of third-country institutions in the future Erasmus Mundus programme was not an explicit option presented to respondents to the online consultation, many of those who suggested changes to the current programme identified improved links and cooperation with third-country institutions as a priority. On the basis of the suggestions and explanations gathered to date, “increased involvement of third-country institutions” should entail the following:

- that third-country institutions would be eligible to form part of consortia to provide joint Erasmus Mundus courses and receive financial support accordingly;
- that students on Erasmus Mundus courses would be able to spend some of their time at the third-country institution in question;
- that Action 3 in its current form would be discontinued (as elements of this would be included in the core of Action 1).

4.2.4. Sub-option 2.4: Integration of the External Cooperation Window

The current Erasmus Mundus "External Cooperation Window" resulted from an initiative launched by the EuropeAid Cooperation Office, designed to foster cooperation in the field of higher education between the EU and third countries and promote mobility of third-country students to the EU. The initiative provides funding to support cooperative partnerships between higher education institutions in Europe and third countries to allow them to organise individual mobility of students and academics between the institutions concerned. It also funds scholarships for individual students and academics to allow them to spend time studying or working at an institution abroad. Unlike the core Erasmus Mundus programme, it does not provide funding for integrated courses. As such, the prime focus is on mobility and enhancing the cooperation capacities of third-country higher education institutions.

Individual mobility grants are available through the Window for undergraduate, masters, doctoral and post-doctoral students, as well as for academic staff who engage in mobility for teaching, practical training or research. Overall, 70% of scholarships are reserved for third-country students, the remaining 30% going to European students and academic staff. The 2006 call for the External Cooperation Window covers mobility between Europe and countries covered by the EU's "Neighbourhood Policy" (South Mediterranean and Eastern European countries), the Central Asian Republics and Yemen, Iran and Iraq.

Sub-option 2.4 would entail integrating the External Cooperation Window (in terms of objectives, activities and geographical coverage) into the mainstream Erasmus Mundus programme. The different components of the External Cooperation Window and the Erasmus Mundus programme can in fact be combined in an appropriate way to ensure the coherence of the new programme. As such, there is no obligation for the “Window” to be maintained in its current form, as a separate programme strand.

4.3 Option 3: Discontinue the Programme

This option would entail discontinuing the Erasmus Mundus programme, once the current programme finishes at the end of 2008. As such, all financial assistance to higher education institutions running Erasmus Mundus Masters Courses and students would cease. Discontinuing the Erasmus Mundus programme would not necessarily entail the end of the “External Cooperation Window”, as this mechanism is financed through a different funding instrument, using a separate basic act and legal basis.

This option was supported by only two respondents to the online consultation about the future programme (0.5% of the total). Although it is important to note that 63% of consultation respondents had participated in, or been linked to, the current programme, this low figure reveals a strong support to the programme across the whole range of stakeholders who replied to the consultation, regardless of whether or not they have been beneficiaries of it.

The “discontinue” option also assumes that no alternative programmes to support cooperation between higher education institutions or mobility of students and scholars between Europe and third countries and vice versa are established.

5. ANALYSIS OF POSITIVE AND NEGATIVE IMPACTS OF THE THREE OPTIONS

This section is divided into three main sub-sections. Each sub-section presents an assessment of the impacts, positive and negative, and the strengths and weaknesses of one of the three options proposed (including the four sub-options in Option 2). The assessment of the strengths and weaknesses of the current programme is based on feedback gathered in the impact assessment interviews, the results of the online consultation and the preliminary findings of the mid-term evaluation of the current programme currently being undertaken. This is followed, in each sub-section, by an assessment of the likely effectiveness of each option in relation to the proposed objectives of a future Erasmus Mundus Programme. This analysis serves as a basis for the definition of the “preferred option” for the future.

5.1 Option 1: Continue the programme in its current form

Table 5.1 presents a summary of the main strengths and weaknesses of the Erasmus Mundus programme in its current form, by type of Action.

Table 5.1: Option 1: Strengths and Weaknesses

Main Strengths	Main Weaknesses
Erasmus Mundus Masters Courses (ACTION 1)	
<ul style="list-style-type: none"> The quality of courses appears to have been rated highly by students and the staff involved 	<ul style="list-style-type: none"> Currently little objective information on the quality of the courses and no ongoing monitoring / ex-

Main Strengths	Main Weaknesses
<ul style="list-style-type: none"> • The trans-national structure allows course content to be provided which could not be provided at national level • Courses have been successful in attracting third-country students • Increased international institutional cooperation and catalyst effect for creation of other (non Erasmus Mundus) joint degree programmes • Mobility widely viewed as advantageous for students involved • Widespread and heartfelt support for the basic principles of Erasmus Mundus from all stakeholder groups 	<p>post checks of quality</p> <ul style="list-style-type: none"> • The funding for establishing and running the masters programme may be too low, in comparison to the costs involved • Action viewed as too Euro-centric by third-country institutions • Some doubt over the sustainability of the Erasmus Mundus masters courses developed, particularly given low student numbers on some programmes
Erasmus Mundus Scholarships (ACTION 2)	
<ul style="list-style-type: none"> • Scholarships have been successful in achieving their fundamental objective – attracting good-quality students from third countries to study in Europe • The action contributes to enhancing intercultural dialogue • The interest in and take up of Erasmus Mundus scholarships has been high • Scholarships are likely to enhance the career prospects of students • Scholarship students are considered an asset to the higher education institutions where they study 	<ul style="list-style-type: none"> • Currently, little objective information on the quality of the students attracted • Scholarships not available to European students, meaning these students have less incentive to participate in the programmes with consequent impact on cultural make-up of student body • Risk that EM is seen as “mercantilist” – drawing in the “brightest and best” from certain third countries, with little provided in return • Visa and immigration restrictions mean students are frequently unable to stay on in Europe after their studies and thus cannot contribute to European economic and social development
Erasmus Mundus Partnerships (ACTION 3)	
<ul style="list-style-type: none"> • This Action allows European higher education institutions to open themselves up to the world and to have structural cooperation with third countries • Involving third-country institutions is important to achieve balance and reciprocity within the programme (between Europe on one side and third countries on the other) • This Action offers the chance of outgoing European mobility to third countries 	<ul style="list-style-type: none"> • There is an apparent tension in the programme between the objective of attracting high-class students and scholars to Europe (fostering asymmetrical, one-way flow) and the objectives of outward mobility for European students and cooperating with third-country institutions (fostering more symmetrical, two-way flows) • Cooperation with third-country institutions currently begins only once European masters courses are established – it would be advantageous to include third-country institutions from the start • Third-country institutions currently have little incentive to participate in the programme

Main Strengths	Main Weaknesses
	<ul style="list-style-type: none"> Grants received by European students are considered too low – particularly in comparison to the scholarships for third-country students
Erasmus Mundus “Attractiveness” (ACTION 4)	
<ul style="list-style-type: none"> Action to promote the visibility, profile and accessibility of the European Higher Education area is required and widely supported A European approach towards a “European brand image” helps smaller European country to be better known The Alumni Association which is funded under this Action is a fundamental tool to promote Europe, European higher education and its values. 	<ul style="list-style-type: none"> There appears to be a lack of a clear strategy and focus for use of this action The action may be under-funded Focus on marketing actions may be too restrictive – further research may be required in this area to determine the best approaches

On the basis of the evidence available, there is reason to believe that a future Erasmus Mundus programme based on the current programme design could be effective in achieving the general objectives of the programme proposed in this impact assessment. Moreover, a relatively large proportion of respondents to the online consultation (44%) believed the programme in its current form would be the best option for the next 10 years, on the basis of the needs analysis presented.

Judging from the information available, the current programme has been successful in attracting third-country students to Europe. However, in the absence of objectively verifiable information, it is currently difficult to assess whether the programme has attracted “the most talented” students. If the quality of the students attracted is verified, then there is reason to assume that continuing the programme in the current form would be highly effective in relation to the proposed Objective 2.

In contrast, the current programme appears to have been less successful at promoting outgoing mobility of European students to third countries which is one of the key objectives proposed for a possible future programme. This is partly linked to the status of third-country institutions within the programme and the level of the grants available to outgoing European students. More importantly, while valuable partnerships seem to have been established between European and third-country higher education institutions, the level and intensity of this cooperation is almost certainly more limited than it would have been if third-country institutions were integrated in the provision of Erasmus Mundus courses. This is why a simple increase in funding arrangements would most likely not remedy the situation in a satisfactory way. For this reason, the overall judgement on the programme’s likely effectiveness in relation to Objectives 2 and 1 has been assessed as “moderate”.

The comparatively limited nature of Action 3 means that its contribution to the development of human resources and the international cooperation capacity of higher education institutions in third countries (Objective 3) has been classed a “low to moderate”.

There is evidence to suggest the programme is highly relevant for the objective of fostering inter-cultural dialogue (Objective 5). However, the reportedly limited proportion of European students on many Erasmus Mundus courses reduces the opportunities for dialogue between European and third-country students. This situation can only be changed by providing funding opportunities to European students which is not foreseen in the current programme. For this reason, the likely effectiveness of continuing the programme in its current form has been assessed as “moderate to high”.

As regards the objective of attractiveness of European higher education (Objective 4), the results of interviews suggest that the programme’s effectiveness in relation to this objective can be classed “moderate”.

Table 5.2: Option 1: Summary of likely effectiveness

Proposed General Objectives	Likely effectiveness
1) to foster structured cooperation between higher education institutions and academic staff in Europe and third countries with a view to creating centres of excellence and providing highly trained human resource	Moderate
2) to promote mobility for the most talented students and academics from third countries to obtain qualifications and/or experience in the European Union and to promote the mobility of the most talented European students and academics towards third countries	Moderate
3) to contribute to the development of human resources and the international cooperation capacity of higher education institutions in third countries through increased mobility streams between the European Union and third countries	Low to moderate
4) to improve accessibility and enhance the profile and visibility of European higher education in the world as well as its attractiveness for third-country nationals	Moderate
5) to foster inter-cultural dialogue and understanding through the promotion of mobility	Moderate to high

5.2 Option 2: Continue the programme in a modified form

5.2.1 Sub-option 2.1: Extend the programme to cover doctoral level

On the basis of available evidence, extending a future Erasmus Mundus programme to cover doctoral studies would have the main strengths and weaknesses presented in Table 5.3.

Table 5.3: Sub-Option 2.1: Strengths and Weaknesses

Main Strengths	Main Weaknesses
<ul style="list-style-type: none"> • Would provide additional options for third-country students, including those having obtained a Masters qualification with EM support • Increased focus on research at PhD level 	<ul style="list-style-type: none"> • Diversion of resources from masters level • Fewer third-country students would benefit than if master students only were funded, as the unit cost of PhD funding is greater than that for

Main Strengths	Main Weaknesses
<p>increases potential for economic benefits (as research is exploited by economy)</p> <ul style="list-style-type: none"> • Longer duration can encourage individuals to stay on in host country, thus allowing skills to be tapped in workplace (subject to work permit restrictions) • Europe avoids losing highly-qualified masters graduates to other countries 	<p>Masters studies</p> <ul style="list-style-type: none"> • The cooperation between universities for the supervision of PhD students is less obvious than for taught courses • There is the risk of creating a brain-drain from poorer countries

The key advantages of this sub-option would be the additional opportunities afforded to third-country students (which would have an impact on Objective 2) and the greater potential for the research supported to have economic impacts (as PhD research is exploited by the economy). On the other hand, as doctoral studies are longer and the scholarships required would thus be larger, introducing a doctoral component into the programme would result in fewer third-country students being supported than if the equivalent money were used to support Masters places. The question is thus whether attracting “fewer” PhD students to Europe would add more value than attracting “more” Masters students.

Because of the addition of the doctoral element to the programme, the impact on Objectives 1 and 4 are judged slightly higher than in the previous option, as outlined in Table 5.4 below. As regards Objectives 3 and 5, this sub-option is judged equal to the previous option.

Table 5.4: Sub-Option 2.1: Summary of likely effectiveness

Proposed General Objectives	Likely effectiveness
1) to foster structured cooperation between higher education institutions and academic staff in Europe and third countries with a view to creating centres of excellence and providing highly trained human resource	Moderate to high
2) to promote mobility for the most talented students and academics from third countries to obtain qualifications and/or experience in the European Union and to promote the mobility of the most talented European students and academics towards third countries	Moderate to high
3) to contribute to the development of human resources and the international cooperation capacity of higher education institutions in third countries through increased mobility streams between the European Union and third countries	Low to moderate
4) to improve accessibility and enhance the profile and visibility of European higher education in the world as well as its attractiveness for third-country nationals	Moderate to high
5) to foster inter-cultural dialogue and understanding through the promotion of mobility	Moderate to high

5.2.2 Sub-option 2.2: Include financial support for European students

In the current programme, Erasmus Mundus Masters courses are dominated by third-country students. Table 5.5 presents the main strengths and weaknesses of including financial support for European students under the programme.

Table 5.5: Sub-Option 2.2: Strengths and Weaknesses

Main Strengths	Main Weaknesses
<ul style="list-style-type: none"> • Increased incentive for excellent European students to participate in Erasmus Mundus courses (thus increases cultural mix and intercultural dialogue) • Increased reputation and credibility of Erasmus Mundus courses with third-country students • Increased possibilities for “outward” mobility, from Europe to third countries, as funding options become more attractive. This would reduce the imbalance between the outgoing and incoming mobility, contribute to the skills of European students (gained through mobility experience) and address the perception of Erasmus Mundus as “Eurocentric” 	<ul style="list-style-type: none"> • Diversion of resources from third-country students, with impact on core objective of attracting third-country students to Europe • Potential overlap with the Erasmus chapter of the Lifelong Learning Programme will need to be avoided

A relatively compelling argument can be put forward that increasing the proportion of high-quality European students on these courses would add to their credibility in terms of quality (if high-quality home students participate, this could be used as one indicator of quality) and, at the same time, foster intercultural dialogue between European and third-country students. However, allocating funds to providing scholarships for European students would lead to fewer resources for scholarships for third-country students (assuming that the funds would otherwise have been used to finance third-country scholarships). Nevertheless, with funding possibilities being available for both third-country and European students, the likely effectiveness of this sub-option in relation to Objective 2 is “high”.

Increased mobility from Europe to third countries would also help to develop the intensity of the cooperation between European and third-country institutions (thus supporting Objective 1) and would certainly favour two-way intercultural dialogue (Objective 5), as reflected in Table 5.6. This may be particularly important for Europe, which currently has a gap in the quality knowledge/ provision in higher education on third countries some of which –such as China and India- are becoming key global players vis-à-vis European studies.

As regards Objectives 3 and 4, this sub-option is judged equal to Option 1 (continuing the programme in its present form).

Table 5.6: Sub-Option 2.2: Summary of likely effectiveness

Proposed General Objectives	Likely effectiveness
1) to foster structured cooperation between higher education institutions and academic staff in Europe and third countries with a view to creating centres of excellence and providing highly trained human resource	Moderate to high
2) to promote mobility for the most talented students and academics from third countries to obtain qualifications and/or experience in the European Union and to promote the mobility of the most talented European students and academics towards third countries	High
3) to contribute to the development of human resources and the international cooperation capacity of higher education institutions in third countries through increased mobility streams between the European Union and third countries	Low to moderate
4) to improve accessibility and enhance the profile and visibility of European higher education in the world as well as its attractiveness for third-country nationals	Moderate
5) to foster inter-cultural dialogue and understanding through the promotion of mobility	High

5.2.3 Sub-option 2.3: Increase the involvement of third-country institutions

On the basis of existing evidence, increasing the involvement of third-country institutions in a possible future Erasmus Mundus programme would seem likely to have the following strengths and weaknesses:

Table 5.7: Sub-Option 2.3: Strengths and Weaknesses

Main Strengths	Main Weaknesses
<ul style="list-style-type: none"> Better integration of third-country institutions achieved (imbalance between European and third-country institutions addressed) Courses / students would benefit from expertise and skills of third-country institutions and staff Inter-cultural dialogue and “global skills” of students would be enhanced (compared to EU-focused courses) 	<ul style="list-style-type: none"> European dimension of Erasmus Mundus would be diluted Diversion of resources from Europe to third countries, along with some of the potential benefits (students staying on in the country etc.) Possible difficulties in setting up joint programmes with third-country institutions

Overall, increasing the involvement of third-country institutions in a possible future Erasmus Mundus programme would seem likely to have a positive impact on the proposed objectives of the programme, as outlined in Table 5.8.

The inclusion of third-country institutions in a modified Action 1 would allow Erasmus Mundus Masters (and possibly PhD) programmes to draw on an even wider range of expertise in order to foster excellence. Furthermore, strong cooperation with third-country institutions

is likely to increase the credibility of the programme with third-country students and employers (particularly students and employers from the countries where these institutions are located). In addition, increased direct collaboration in teaching provision is likely to foster intercultural dialogue even more effectively.

Some interviewees suggested that allowing third-country institutions to participate in the provision of joint Erasmus Mundus degrees could dilute to some extent the “European dimension” of the programme, as highlighted in the current programme design. However, it is likely that the need to adjust the higher education system to the requirements of globalisation and the need to foster excellence through wide-ranging exchange would be better addressed by allowing the participation of excellent institutions, wherever they are located, rather than taking a purely Eurocentric approach. It can be argued that strong higher education departments and institutions need to be part of global, not just European, networks in order to maximise the potential for excellence. The European dimension of higher education created through a range of parallel developments (such as the Bologna process) could also benefit in terms of visibility from joint work between European and non-European universities in the way presented in this option. Also, the argument of diversion of resources from Europe to third countries is not very strong as third-country institutions will always be embedded in a predominantly European consortium.

Table 5.8: Sub-Option 2.3: Summary of likely effectiveness

Proposed General Objectives	Likely effectiveness
1) to foster structured cooperation between higher education institutions and academic staff in Europe and third countries with a view to creating centres of excellence and providing highly trained human resource	Moderate to high
2) to promote mobility for the most talented students and academics from third countries to obtain qualifications and/or experience in the European Union and to promote the mobility of the most talented European students and academics towards third countries	High
3) to contribute to the development of human resources and the international cooperation capacity of higher education institutions in third countries through increased mobility streams between the European Union and third countries	Moderate to high
4) to improve accessibility and enhance the profile and visibility of European higher education in the world as well as its attractiveness for third-country nationals	High
5) to foster inter-cultural dialogue and understanding through the promotion of mobility	High

5.2.4 Sub-option 2.4: Integration of the External Cooperation Window

The option of integrating the External Cooperation Window into a possible future Erasmus Mundus programme has been assessed in comparison to the option of leaving it as a separate, complementary activity, as at present. The “integration” option would seem likely to have the following strengths and weaknesses:

Table 5.9: Sub-Option 2.4: Strengths and Weaknesses

Main Strengths	Main Weaknesses
<ul style="list-style-type: none"> • Greater coherence between and visibility of EU higher education mobility initiatives • Greater clarity for prospective third-country mobility students in relation to available EU support • A greater number of students and scholars will be supported within the Erasmus Mundus Programme (although the same overall level of mobility could be achieved if the Window were not integrated) 	<ul style="list-style-type: none"> • Potential for increased complexity of programme structure and management processes (the mainstream Erasmus Mundus Programme and the Cooperation Window are currently managed by different Commission Services and the future division of labour would need to be agreed) • Risk that the visibility of the focus on excellence of most programme strands will be lost within the context of a wider programme (although this can be addressed if the External Cooperation Window is focused on “high quality”)

Overall, integrating the External Cooperation Window into a future Erasmus Mundus programme would seem likely to have a positive impact on some of the proposed objectives of the programme but lower impact in the area of promoting “excellence”, as outlined in Table 5.10.

In comparison to maintaining the Erasmus Mundus Programme and the External Cooperation Window as separate instruments, integrating the two options would seem unlikely to provide significant added value in relation to the objective of attracting the most talented students to Europe and only limited impact in relation to the objective of creating centres of excellence. Integration would nevertheless be likely to increase cooperation between institutions in curriculum development and other areas, facilitating future mobility of students and, through this, intercultural understanding. Integration would also greatly increase the numbers of students that could be supported within the Erasmus Mundus programme itself, which is likely to contribute positively to the objectives of developing human resources in third countries and, as already mentioned, fostering inter-cultural dialogue.

Integrating the "External Cooperation Window" into the programme would open the programme up to initiatives and policy angles which go beyond its current focus and would help the programme becoming the reference programme for cooperation with third countries in the field of higher education. It would be a first step towards increasing the coherence and visibility of Community action in the field, combining various policy angles and funding instruments.

The existence of multiple elements within the same programme, both able to support mobility for masters level students (and potentially doctoral students) may create some confusion for potential applicants. Despite the advantages of a complete integration of EU mobility funding (scholarships) for third-country students, it is likely to be necessary to maintain a distinction between scholarships for mobility in general (as an end in itself and a means to foster intercultural understanding) and scholarships for attracting the top students to Europe.

Table 5.10: Sub-Option 2.4: Summary of likely effectiveness

Proposed General Objectives	Likely effectiveness
1) to foster structured cooperation between higher education institutions and academic staff in Europe and third countries with a view to creating centres of excellence and providing highly trained human resource	Low to moderate
2) to promote mobility for the most talented students and academics from third countries to obtain qualifications and/or experience in the European Union and to promote the mobility of the most talented European students and academics towards third countries	Moderate
3) to contribute to the development of human resources and the international cooperation capacity of higher education institutions in third countries through increased mobility streams between the European Union and third countries	High
4) to improve accessibility and enhance the profile and visibility of European higher education in the world as well as its attractiveness for third-country nationals	High
5) to foster inter-cultural dialogue and understanding through the promotion of mobility	High

5.3 Option 3: Discontinue the Programme

The option of discontinuing the programme would be likely to have the main strengths and weaknesses presented in Table 5.11.

Table 5.11: Option 3: Strengths and Weaknesses

Main Strengths	Main Weaknesses
<ul style="list-style-type: none"> Saving in public expenditure and/ or possible diversion of funds to other EU objectives or other measures in the field of higher education or other fields 	<ul style="list-style-type: none"> Attractiveness of European higher education area not enhanced Quality of the European higher education area not enhanced Mobility between Europe and third countries and vice versa not enhanced Less potential impact on inter-cultural dialogue

The question of whether or not to discontinue the programme focuses attention on the likely added value of a future programme, which would be lost if the programme were not to be implemented.

As outlined in the needs analysis presented above, international – inwards and outwards-mobility of students and researchers is likely to increase regardless of the availability of European funding. Yet the quality of these students and searchers may not be of as high as it could be with the programme. Therefore the likely effectiveness of the discontinuation of the

programme on Objective 2 is likely to be low. The impact of this option on fostering cooperation is also likely to be low; its impact on fostering inter-cultural dialogue and understanding would be low to moderate since, as we have already pointed out, international mobility is likely to increase regardless of the existence of the programme.

For arguments in favour of a Community programme in addition to national initiatives which already exist in some Member States, please consult section 2.8.

Table 5.12: Option 3: Summary of likely effectiveness

Proposed General Objectives	Likely effectiveness
1) to foster structured cooperation between higher education institutions and academic staff in Europe and third countries with a view to creating centres of excellence and providing highly trained human resource	Low
2) to promote mobility for the most talented students and academics from third countries to obtain qualifications and/or experience in the European Union and to promote the mobility of the most talented European students and academics towards third countries	Low
3) to contribute to the development of human resources and the international cooperation capacity of higher education institutions in third countries through increased mobility streams between the European Union and third countries	Low to moderate
4) to improve accessibility and enhance the profile and visibility of European higher education in the world as well as its attractiveness for third-country nationals	Low
5) to foster inter-cultural dialogue and understanding through the promotion of mobility	Low to moderate

5.4 Uncertainties and changes in parameters

The underlying needs analysis has shown to be stable over the last ten years or so. As shown in section 2, the fundamental problems this proposal wants to tackle have even become more pressing and acute. It is therefore highly unlikely that the current situation will evolve so dramatically over the next years as to make the preceding assessment of policy options and the proposed programme out of date. As for risks and assumptions, see section 7.

The issue of compliance does not arise; the action proposed is a Community expenditure programme and thus not legally binding.

6. COMPARING THE OPTIONS

Equal weight has been allocated to each of the positive and negative impacts identified.

The results of the analysis of the different options in terms of their likely effectiveness in relation to the Objectives suggested for the programme are summarised in Table 6.1.

Table 6.1: Likely effectiveness of the different options in relation to the suggested programme objectives

Proposed General Objectives	Option 1 Continue	Option 2 Modify				Option 3 Dis-continue
		Option 2.1	Option 2.2	Option 2.3	Option 2.4	
1) to foster structured cooperation between higher education institutions and academic staff in Europe and third countries with a view to creating centres of excellence and providing highly trained human resource	Moderate	Moderate to high	Moderate to high	Moderate to high	Low to moderate	Low
2) to promote mobility for the most talented students and academics from third countries to obtain qualifications and/or experience in the European Union and to promote the mobility of the most talented European students and academics towards third countries	Moderate	Moderate to high	High	High	Moderate	Low
3) to contribute to the development of human resources and the international cooperation capacity of higher education institutions in third countries through increased mobility streams between the European Union and third countries	Low to moderate	Low to moderate	Low to moderate	Moderate to high	High	Low to moderate
4) to improve accessibility and enhance the profile and visibility of European higher education in the world as well as its attractiveness for third-country nationals	Moderate	Moderate to high	Moderate	High	High	Low
5) to foster inter-cultural dialogue and understanding through the promotion of mobility	Moderate to high	Moderate to high	High	High	High	Low to moderate

Key: Option 2.1= including doctoral studies; 2.2= expanding financial support to EU students; 2.3= increase involvement of third-country institutions; Option 2.4= integrate the External Cooperation Window.

Based on the available evidence it is recommended that the Erasmus Mundus programme continues in the future. The option of discontinuing the programme (Option 3) has by far the lowest degree of effectiveness of the three options and it is unclear from the online consultation, interviews and desk-based research conducted how the funding savings that could be obtained through the discontinuation of the programme could be deployed within existing or new funding streams to meet the important needs and objectives outlined in sections two and three.

The balance of available evidence would suggest that the programme should continue in a modified form (Option 2). Although continuing the programme in its current form (Option 1) would be effective in meeting most of the objectives suggested for the new programme (with the possible exception of Objective 3), its degree of effectiveness would seem at this stage lower than what could be achieved through the modification of some elements of the programme. Given the potentially beneficial effects identified for each single sub-option included under Option 2 and as the previous analysis does not seem to point at any negative cross-influence between the various sub-options, table 6.2 presents a consolidated assessment of the likely effectiveness of Option 2, assuming all four sub-options are implemented.

Table 6.2: Likely effectiveness of combined sub-options for a modified programme

Proposed General Objectives	Option 1 Continue	Option 2 Modify (consolidated option)	Option 3 Dis-continue
1) to foster structured cooperation between higher education institutions and academic staff in Europe and third countries with a view to creating centres of excellence and providing highly trained human resource	Moderate	Moderate to high	Low
2) to promote mobility for the most talented students and academics from third countries to obtain qualifications and/or experience in the European Union and to promote the mobility of the most talented European students and academics towards third countries	Moderate	Moderate to high	Low
3) to contribute to the development of human resources and the international cooperation capacity of higher education institutions in third countries through increased mobility streams between the European Union and third countries	Low to moderate	Moderate to high	Low to moderate
4) to improve accessibility and enhance the profile and visibility of European higher education in the world as well as its attractiveness for third-country nationals	Moderate	High	Low
5) to foster inter-cultural dialogue and understanding through the promotion of mobility	Moderate to high	High	Low to moderate

Given the proposed objectives of the new programme, as illustrated in table 6.2, it would seem appropriate to pursue all four sub-options developed under Option 2 above in a future Erasmus Mundus programme in order to benefit from the potential positive effects identified for each sub-option:

- There would appear to be both a demand on the ground and a sound logic (in terms of likely effectiveness) to extending the scope of the Erasmus Mundus courses and scholarships to cover the doctoral level.
- Principal arguments in favour of including financial support for European students: The comparatively low numbers of European students currently studying in Erasmus Mundus courses and participating in mobility periods in third countries highlight the need for programme modifications if the proposed objective 2 of the future programme is to be achieved. High-quality European students are likely to require greater financial support than is currently available to participate in Erasmus Mundus courses (which may be more costly than courses at equivalent level in their home country) and undertake potentially costly mobility periods to European and third countries. Increasing the proportion of European students participating in the programme is likely to have a triple benefit of increasing the international standing and credibility of Erasmus Mundus courses, fostering inter-cultural

dialogue (through more mixed student cohorts) and facilitating outward mobility by European students.

- Principal arguments in favour of extending the programme to cover doctoral level: European higher education should not only try to attract talented students, but also to retain them through attractive offers at doctoral level. Offering high-quality joint doctoral programmes could help to avoid the drainage of the most talented students to other continents. Joint programmes would introduce a strong international dimension to doctoral programmes which are likely to lead to dynamic and innovative developments. Increasing the focus on research at doctoral level will also increase the potential for economic benefits as research is exploited by the economy. Adding doctoral programmes to a new Erasmus Mundus programme thus seems to be a natural extension of current programme activities.
- Principal arguments in favour of involving third-country institutions in the programme: The intended role of third-country institutions in the current programme has not always been entirely clear to those consulted about the future programme. However, given the objective of promoting outward mobility by European students and scholars and realise the associated benefits in terms of cultural understanding, the participation of third-country institutions would be vital to the success of the programme. Moreover, high quality third-country institutions can contribute with their valuable expertise to the quality and standing of higher education courses in Europe. European higher education institutions could increase their global visibility and draw on a wide range of international expertise in order to maximise their potential for excellence. For this reason, it is suggested that third-country institutions should be eligible to be partners in Erasmus Mundus courses and that students on these courses should be able to spend some of their study period in the third-country institutions concerned. In parallel, one of the objectives of the programme is to contribute to the development of capacity and human resources in third-country institutions which can be achieved through enhanced structured cooperation with higher education institutions located in third countries.
- Finally, the integration of the current External Cooperation Window into a future Erasmus Mundus programme appears as a logical step, in order to increase the coherence and visibility of Community activities in the field of mobility and cooperation with third countries in higher education. It would open the programme up to initiatives and policy angles which go beyond its current focus and would help the programme becoming the reference programme for cooperation with third countries in the field of higher education. Such a development is not necessarily straightforward, given the differing focus of the current Erasmus Mundus programme and the External Cooperation Window. For this reason, merging the scholarships provided through the External Cooperation Window (which primarily aim to foster mobility as an end in itself) and Erasmus Mundus (which primarily aim to attract the best students) is unlikely to be adequate.

On the basis of the preceding analysis, it is proposed that the Erasmus Mundus programme should continue in a modified form unifying all sub-options for modifications as outlined in section 4.

European added value

There would be a clear European added value if action being taken at European Union level. There are marked differences in the approach of European countries towards the stimulation of mobility from third-country students. Some EU Member States have established programmes for mobility, whereas others are less active in this area. The objectives of existing national programmes vary and are not fully consistent or integrated. Moreover, there is a lack of transparency concerning national support to third-country students, which may mean it is overlooked by many talented students. National schemes, furthermore, do not contribute to strengthening the profile of a European higher education area that goes beyond the sum of its individual components – a critical objective for Europe by 2010. In this respect, an Erasmus Mundus programme – unlike national programmes - attracts students to study in more than one European country.

Given the scale of the challenge that Europe is facing in this area and the critical role that higher education has for its success economically and in terms of enhancing social cohesion and peace, an integrated European approach can bring substantial benefits. These include increasing the comprehensiveness, coherence and visibility of the support available to third-country students and enhancement of the European higher education area.

7. RISKS AND ASSUMPTIONS

The risks inherent in the current situation if nothing is done (“no-policy” option) are outlined in the assessment of option 3 under section 5.3 above.

The proposed expenditure programme is based on the following assumptions:

- The needs analysis and problem description as outlined in section 2 will remain valid over the next seven years.
- There exists a distinct added value to tackling the underlying problems from the European angle.
- The design of the programme corresponds to the identified needs, is logic, clear, user-friendly and foresees the necessary actions and funds to achieve its aims.
- All programme actions will be accepted by the world of higher education (institutions and students) and lead to positive competition.
- The programme will live up to its reputation of excellence, i.e. supporting high-quality masters courses, doctoral programmes, students and academics only.
- The financial resources foreseen in the programme assume that substantial co-funding will be readily available from other funding sources.
- Funded masters courses and doctoral programmes should be sustainable after the end of the EU-funding period.
- There will be sound management structures in place at European level to manage the programme according to high standards.

- All relevant programme data will be collected in order to allow for an in-depth evaluation of the programme.
- The programme will yield its expected results and impacts.

The following table lists the risks which are involved in implementing the proposed expenditure programme and the measures which will be taken to counter them.

Risk	Counter-measure
The design of the programme is unclear to its target audience (joint programmes offering mobility grants for most talented students vs. collaborative partnerships offering Erasmus-style mobility grants).	This is highly unlikely, as the two strands are already operational and successful under the umbrella of Erasmus Mundus. In any case, an information campaign on the new programme will be run by the Commission, its delegations and the Erasmus Mundus National Structures. This campaign will include information days, brochures and a detailed website.
There are not enough applications for, or interest in, certain programme actions.	This is highly unlikely as the programme is based either on tested and successful actions or on results from stakeholder consultations. If needed, targeted information will be provided on the action concerned to the target audience concerned in order to underline its added value. This would be done through information campaigns, brochures and the website.
The courses/programmes and students/scholars supported turn out to be not of outstanding quality.	The Commission would have to step up its selection and quality monitoring mechanisms as well as its quality control over student selection mechanisms in place at higher education institutions.
The financial situation of higher education institutions is such that it does not allow participating in a programme that requires substantial co-funding.	The Commission has no control over the financial situation of higher education institutions. However, given the application figures under the current programme, where substantial co-funding is already required, this scenario is highly unlikely.
Funded masters courses and doctoral programmes are not sustainable without Community funding.	The impact of the programme is hoped to be such that higher education institutions involved in a masters course or doctoral programme will see a clear interest in investing the necessary funds to keep the courses or programmes running beyond the EU-funded period.
It turns out to be difficult to implement a programme which is co-managed by two different DGs.	The Commission would have to step up its cooperation mechanisms and reinforce its joint approach – if need be at political level - to ensure sound programme management according to the highest possible standards.
There is no data collection system in place which allows for the evaluation of the programme.	A data collection system for the current programme is already in place. It will be fine-tuned for the next programming period.

8. COST-EFFECTIVENESS²¹

8.1. Financial and human resource implications of the programme

The financial proposal outlined below is in line with the current financial perspective.

²¹ As the partnerships with third-country institutions are funded through external cooperation instruments, no figures relating to that action of the future Erasmus Mundus programme is included in this chapter.

8.1.1. Total financial impact on Part B

Operational credits (commitment appropriations)

€ million (cash prices)

	2009	2010	2011	2012	2013	Total
Masters Courses	3,3	3,54	3,84	4,14	4,5	19,32
Masters third-country students	60,192	48,4272	46,6944	44,0496	41,04	240,4032
Masters European students	12,078	12,9564	11,712	12,627	13,725	63,0984
Masters third-country academics	4,785	5,133	5,568	6,003	6,525	28,014
Masters European academics	4,785	5,133	5,568	6,003	6,525	28,014
Doctoral Programmes	0,5	1,0	1,25	1,5	1,75	6
Doctoral third-country students	0	6,4	8	9,6	11,2	35,2
Doctoral European students	0	5,4	6,75	8,1	9,45	29,7
Insurance scheme	1	1	1	1	1	5
Partnerships including mobility ²²						
Attractiveness projects	2,2	2,2	2,2	1,6	1,6	9,8
Alumni Association	0,31	0,2304	0,3176	0,3374	0,325	1,5204
National Structures	1,1	1,1	1,2	0,9	0,9	5,2
Total	90,25	92,52	94,1	95,86	98,54	471,27

Technical and administrative assistance, support expenditure and IT expenditure

€ million (cash prices)

	2009	2010	2011	2012	2013	Total
Commitments	4,418	4,458	4,478	4,508	4,558	22,42

²² See footnote 21 above.

In carrying out the programme the Commission will have recourse to an executive agency, to which it will delegate the administration of all actions, with the exception of parts of the attractiveness projects.

The possibility of resorting to national agencies for management purposes and of entrusting them with some management responsibilities, such as the payment of grants, was considered. The conclusion of such deliberations was that centralised management was essential and decentralisation not viable for the following reasons:

- An overall balance of the programme as regards the thematic coverage of joint programmes and partnerships, the distribution of students and scholars among joint programmes and partnerships and the provenance of students and scholars needs to be ensured at European level;
- Given that the students will have to spend a period of study in at least two different countries, the grant will have to be paid in different countries;
- In some countries, the number of students at any given time may not be sufficiently high to justify the intervention of national agencies.

In the light of these considerations, it was concluded that it would make little sense for national agencies to have managerial responsibilities (selection, contracting, and payment). However, they will play an important role as regards programme information and publicity; information for and counselling of potential applicants and participants in the programme; monitoring; identification and dissemination of best practices.

8.1.2 Impact on staff and administrative expenditure

Impact on human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources		Total	Description of tasks deriving from the action
		Number of permanent posts 2009 (2013)	Number of temporary posts 2009 (2013)		
Officials or temporary staff	A	5 (5)	0	5 (5)	<i>Programme implementation</i>
	B	2 (2)	0	2 (2)	
	C	1 (1)	0	1 (1)	
Other human resources DNE			DNE 0 (1)	DNE 0 (1)	<i>Programme implementation</i>
Total		8 (8)	0 (1)	8 (9)	

Overall financial impact of human resources – 2007 prices

Type of human resources	Amount (€ million) 2009 (2013)	Method of calculation
Officials	0,936 (0,936)	€ 117,000 * 8 (8) officials
Temporary staff		N/A
Other human resources (specify budget line)	0.000 (0.045)	DNE € 45,000 * 0 (1) staff
Total	0,936 (0,981)	

The amounts are total expenditure for twelve months.

Other administrative expenditure deriving from the action – 2007 prices

Budget line (number and heading)	Amount € million 2009 (2013)	Method of calculation
Overall allocation (Title A7)		
A0701 – Missions	0.025 (0.025)	30 missions of up to 2 days at €650 + 5 missions of 1 week at €1,000
A07030 – Meetings	0.116 (0.116)	€1,160 per participant (€860 travel + €150 per diem * 2 days) * 100 participants
A07031 – Compulsory committees	0.046 (0.046)	€860 per participant * 54 participants
A07032 – Non-compulsory committees	0	
A07040 – Conferences	0	
A0705 – Studies and consultations	0	
Other expenditure (specify)	0	
Information systems (A-5001/A-4300)		
Other expenditure - Part A (specify)		
Total	0.187 (0.187)	

The amounts are total expenditure for twelve months.

8.2. Could the same results be achieved at lower costs?

The table below makes an assessment of the major assumptions on the basis of which the cost of the programme has been calculated:

Assumption	Assessment
Masters courses would receive € 30,000 and doctoral programmes would receive € 50,000 per year	The interim evaluation of the current programme and the online consultation on the future of the programme have clearly shown that the current level of € 15,000 per year for joint masters course is considered as largely insufficient. An increase to € 30,000 per year therefore seems appropriate. As for doctoral programmes, € 50,000 is in line with the amount offered by comparable programmes in the field of research.
<p>Average scholarships:</p> <p>Third-country master student: € 45,600²³</p> <p>European master student: € 18,300²⁴</p> <p>Third-country doctoral student: € 80,000²⁵</p> <p>European doctoral student: € 90,000²⁶</p> <p>Third-country scholar: € 14,500²⁷</p> <p>European scholar: € 14,500²⁸</p>	<p>In order to attract the most talented students to Europe and to allow the most talented European students to follow high-quality courses in Europe and beyond, the programme has to offer competitive scholarships. A comparison with similar international scholarship programmes in the field confirms these figures. What is more, Erasmus Mundus courses imply double or triple mobility (also beyond Europe) which is costly. As for doctoral programmes, the proposed scholarship amount is in line with the amounts offered by comparable programmes in the field of research.</p> <p>Although the programme could benefit from having a system to discriminate students according to their socio-economic background and study destination, the administrative costs of such a system (and the risk of fraud) would be likely to out-weight its benefits and would not be cost-effective.</p>
150 masters courses and 35 doctoral programmes should be supported and 8,720 masters students and 770 doctoral students funded	Reducing the number of courses and students supported under the programme would compromise its impact on European higher education. These participation figures would in any case only represent an extremely low percentage of courses on offer and students studying in Europe.

The figures presented in the previous sections represent the resources necessary to achieve the volume of activities and results expected from the programme. No alternative actions were identified during the course of the research undertaken for this impact assessment that could deliver equal results at a lower cost. The conclusion that the overall level of resources should be increased in relation to the current Erasmus Mundus programme was supported by the results of the online consultation, where around a third of respondents suggested that increases should be in the allocations made for some target groups (such as European students) or programme Actions (such as courses). It is necessary to remember that the proposed programme would seek to reach a wider audience and a greater volume of beneficiaries to achieve its stated aims, which further underpins the need for the requested budget.

²³ Average amount. The actual scholarship depends on the length of the masters course (between one and two years). Reference amount: EUR 24,000 per year.

²⁴ Average amount. The actual scholarship depends on the length of the masters course (between one and two years). Reference amounts: EUR 11,000 per year if mobility also to third country; EUR 9,000 per year if only inter-European mobility.

²⁵ Average amount for three-year scholarship. Reference amounts: EUR 123,000 for employment contract (very unlikely option); EUR 78,000 for stipend (most likely option).

²⁶ Average amount for three-year scholarship. Reference amounts: EUR 100,000 for employment contract (most likely option); EUR 60,000 for stipend (unlikely option).

²⁷ Standard amount for a period of three month.

²⁸ See footnote 27 above.

This discussion suggests that costs could be significantly reduced only by cutting down on the volume of activity supported or make further reductions in costs per unit, both of which would reduce the programme's outputs, results and impact as well as its multiplier effects and would jeopardise the achievement of the programme aims (e.g. too low scholarships may deter high-quality potential applicants from applying to the programme). In this context, it also has to be underlined that the programme does not fund the actual running of the joint courses and programmes whose costs are entirely borne by the higher education institutions offering them. The Community funds only cover additional administrative costs, such as consortia meetings.

The extensive use of lump sums and unit costs for the programme and the fact that scholarships are linked to pre-selected courses or partnerships will allow keeping the level of human resources required for the management of the programme reasonably low, as the co-funding contributions from higher education institutions will not need to be proven, neither at application nor at reporting stage, and as the Commission will not get involved in the selection of students based on merit. These management modalities have thus a considerable advantage for both programme managers and beneficiaries.

As regards the design of the new programme, the number of actions should be kept to a strict minimum: one for integrated programmes, one for collaborative partnerships and one for projects dealing with the appeal of European higher education. This would allow for clear and understandable management structures and mechanisms to be set in place.

8.3. Could the same or better results be achieved with the same cost by using other instruments?

When analysing the various policy options, the recourse to the suggested Community action programme vis-à-vis non-intervention and other intervention (maintaining the Erasmus Mundus programme as it is) was discussed.

The section concluded that an action programme would be necessary to address existing needs in the European higher education area. Moreover, as underlined in previous sections of this impact assessment, the presented needs would be unlikely to be met by action at national level, and European intervention is justified and provides a substantial added value over national interventions. The lack of Community intervention would prolong the persistence of existing needs and probably lead to increased needs over time.

The comparison of the proposed programme and the current Erasmus Mundus programme revealed that greater impacts on the identified needs in higher education in Europe could be expected from the proposed innovative programme design.

In light of the above it can be concluded that no other instrument than a programme based on direct support of field activities would allow for the same or better results to be achieved at the same cost of the proposed programme.

9. MONITORING AND EVALUATION

9.1. Direct and indirect impact indicators

Overall aims	Indicators
Enhance the quality of European higher education	<ul style="list-style-type: none"> ▪ Qualitative/quantitative data on the international standing of European higher education institutions; ▪ Quantitative/qualitative data on the inflow of international students and their retention rate; ▪ Secondary data on overall flows of international students.
Promote dialogue and understanding between peoples and cultures	<ul style="list-style-type: none"> ▪ Qualitative/quantitative data on the views of Europe by third-country participants in the programme, and the views of third countries by European participants, before and after participation; ▪ Quantitative data on the number of individuals pursuing an international career after participation in the programme; ▪ Secondary data on the trends in dialogue and understanding.
Contribute to the development of third countries in the field of higher education	<ul style="list-style-type: none"> ▪ Qualitative/quantitative data on the international standing of higher education institutions in specific third countries; ▪ Quantitative/qualitative data on the inflow of international students towards specific third countries; ▪ Qualitative/quantitative data on transfer of knowledge, skills and expertise between European and third-country higher education institutions.
General objectives	Indicators
Foster structured cooperation between higher education institutions and academic staff in Europe and third countries with a view to creating centres of excellence and providing highly trained human resources	<ul style="list-style-type: none"> ▪ Quantitative data on courses and programmes developed by higher education institutions participating in the programme; ▪ Quantitative/qualitative data on the level of globally/internationally relevant “new” knowledge produced by selected courses and programmes (e.g. number of thesis produced making relevant contributions to the international knowledge base, number of presentations at international high-level conferences, number of publications in internationally peer-reviewed journals, number of citations and reference made to programme knowledge and research outcome, quantifiable application of research outcome); ▪ Qualitative data on the perception of the participants as to the effect of their involvement in the programme (e.g. degree of identification of Europe as a knowledge flagship); ▪ Secondary data on inter-institutional joint programmes on offer outside the programme that have been influenced by the programme; ▪ Quantitative/qualitative data on the professional path of participants (job, pay, etc.); ▪ Secondary data on the professional path of students and scholars involved in similar activities not supported by the programme.
Promote mobility for the most talented students and academics from third countries to obtain qualifications and/or experience in the European Union and to promote the mobility of the most talented European students and academics towards third countries	<ul style="list-style-type: none"> ▪ Quantitative data on third-country students acquiring European qualifications and degrees; ▪ Quantitative data on European students spending a period of study in third countries and/or acquiring qualifications and degrees in third countries; ▪ Qualitative data on the academic quality of participating students (e.g. proportion of students with a highly rated degree, proportion of students

	<p>completing programmes on time);</p> <ul style="list-style-type: none"> ▪ Quantitative/qualitative data on the perception of European higher education by students and scholars participating in the programme; ▪ Secondary data on trends regarding the presence of third-country students and scholars in Europe.
<p>Contribute towards the development of human resources and the international cooperation capacity of higher education institutions in third countries through increased mobility streams between the European Union and third countries</p>	<ul style="list-style-type: none"> ▪ Quantitative data on third-country students acquiring European qualifications and degrees; ▪ Quantitative data on European students spending a period of study in third countries and/or acquiring qualifications and degrees in third countries; ▪ Quantitative/qualitative data on an increased international cooperation capacity of higher education institutions in specific third countries; ▪ Quantitative/qualitative data on transfer of knowledge, skills and expertise between European and third-country higher education institutions; ▪ Secondary data on trends in EU networking with third-country higher education institutions.
<p>Improve accessibility and enhance the profile and visibility of European higher education in the world as well as its attractiveness for third-country nationals</p>	<ul style="list-style-type: none"> ▪ Quantitative data on the number of information requests regarding education in the EU; ▪ Quantitative/qualitative data on the perception of European higher education by students and scholars participating in the programme, before and after participation; ▪ Statistical evidence regarding change in policies and activities, at the level of higher education institutions, aimed at international student mobility.
Operational objectives	Indicators
<p>Help develop high-quality joint master and doctoral programmes offered by a group of European and possibly third-country higher education institutions</p>	<ul style="list-style-type: none"> ▪ Number of courses and programmes selected under the programme; ▪ Number of student applications received by these courses and programmes; ▪ Number of third-country institutions participating in courses and programmes; ▪ Number of cross-disciplinary and inter-disciplinary courses and programmes selected under the programme; ▪ For the doctoral level, degree of the involvement of industry in the programmes; ▪ Qualitative data on the perception of the quality of these courses and programmes among the participating students and scholars and the academic community.
<p>Grant full-study scholarships to the most talented European and third-country students to follow these joint programmes as well as to grant short-term scholarships to European and third-country academics of outstanding quality to carry out research or teaching assignments at these joint programmes</p>	<ul style="list-style-type: none"> ▪ Number of scholarships granted; ▪ Number of applications for scholarships received; ▪ Number of students enrolled in comparable courses or programmes; ▪ Qualitative data on the academic quality of participating students (e.g. proportion of students with a highly rated degree, average grades awarded to students, proportion of students completing programmes on time);
<p>Help develop wide co-operative partnerships between European and third-country higher</p>	<ul style="list-style-type: none"> ▪ Number of partnerships supported;

<p>education institutions as a basis for short or long-term exchange of students and academics at all levels of higher education with a view to enhancing the international cooperation capacities of higher education institutions in third countries</p>	<ul style="list-style-type: none"> ▪ Number of scholarships granted by level of education; ▪ Number of applications for scholarships received by level of education; ▪ Length of scholarships granted by level of education; ▪ Number of European or third-country degrees awarded to scholarship students; ▪ Number and type of other education outputs of partnerships (e.g. joint curriculum development, inclusion of EU-related subjects in the curriculum of third-country higher education institutions and vice-versa, etc.)
<p>Support transnational initiatives, analyses, studies, projects, events and other activities aiming at enhancing the attractiveness of European higher education in the world</p>	<ul style="list-style-type: none"> ▪ Number of projects supported; ▪ Typology of projects supported; ▪ Number and status of participants in these projects; ▪ Quantitative/qualitative evidence regarding the dissemination and transfer of results of these projects to the relevant higher education sectors.

9.2 Evaluation Procedures

Evaluation procedures would be put in place in order to ensure the highest quality of outcome and the most efficient use of resources. Ideally monitoring and evaluation would run throughout the life of the programme and would at least take place at the end of each academic year. They would be based on feedback of the programme at: institutional level; faculty and staff level; and student level, including data review, and data collection through targeted surveys and interviews and will examine the effectiveness, efficiency, quality of provision as well as problems, issues and ‘best practices’ identified by stakeholders at both European, national and international level.

With the help of external experts and relevant European organisations in the field, the Commission will also identify best practices and draft guidelines for the continued evaluation of courses and programmes selected under Erasmus Mundus. This will be achieved through the development of quality indicators, self-evaluation and external peer review through questionnaires and site visits.

Three years after the start of the programme an external interim evaluation on the results achieved and on the qualitative aspects of the implementation of the programme will be undertaken. Two years after the end of the programme, an external ex-post evaluation on the results and impacts of the programme will be submitted. Some data to aid the evaluation of the programme would ideally be collected already at the time of application for participation in the programme (e.g. views on Europe and third countries, etc.).

Evaluation measures will be carried out by means of external and internal studies and surveys, missions and meetings. The costs relating to these measures are standard expenditure under a Community programme and will be covered out of the administrative budget of the future programme (see second table under section 8.1.1).

ANNEX - MONITORING DATA OF THE CURRENT PROGRAMME

Erasmus Mundus budget (2004-2008) in Mio of Euro

	2004	2005	2006	2007	2008	
Action 1: Masters Courses	0,24	0,50	0,85	1,20	1,50	4,29
Action 2: Scholarships for third-country students and scholars (1)	5,90	18,90	30,60	46,40	78,00	179,80
Action 3: Partnerships with third-country institutions	0,00	4,50	2,20	5,30	6,50	18,50
Action 4: Projects to increase the attractiveness of European higher education	1,30	1,40	4,60	2,70	3,60	13,60
Technical Assistance (2)	0,56	1,70	2,25	3,60	5,70	13,81
	8,00	27,00	40,50	59,20	95,30	230,00

(1) An additional amount of 66.1 mio was made available for additional student scholarships through the so-called "windows" for specific countries in Asia, the ACP countries and the Western Balkan countries. These additional funds came from the external aid budget.

(2) Technical Assistance includes costs for the Executive Agency, experts, conferences, publications, IT systems etc.

Erasmus Mundus outputs (2004-2008)

	2004	2005	2006	2007	2008	
Action 1: Masters Courses	19	17	21	23	25	105
Action 2: Scholarships for third-country students (including windows)	140	808	1.377	1.804	1.935	6.064
Action 2: Scholarships for third-country scholars (including windows)	28	154	231	240	420	1.073
Action 2: Sub-total	168	962	1.608	2.044	2.355	7.137
Action 3: Partnerships with third-country institutions	0	9	10	11	22	52
Action 4: Projects to increase the attractiveness of European higher education	7	7	9	15	15	53
	194	995	1.648	2.093	2.417	7.347

All figures for 2008 and the Action 4 figure for 2007 are estimations.